

Message Text

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NSAE-00 NSC-07 PA-04 RSC-01 PRS-01 SP-03 SS-20

USIA-15 NIC-01 SAJ-01 EB-11 COME-00 AGR-20 TRSE-00

AID-20 DRC-01 CIEP-02 /156 W
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R 051203Z JUL 74

FM AMEMBASSY SOFIA

TO SECSTATE WASHDC 8255

INFO AMEMBASSY BUCHAREST

AMEMBASSY BUDAPEST

AMEMBASSY MOSCOW

AMEMBASSY PRAGUE

AMEMBASSY BELGRADE

AMEMBASSY WARSAW

AMEMBASSY ATHENS

USNATO BRUSSELS 372

C O N F I D E N T I A L SECTION 1 OF 2 SOFIA 1125

E.O. 11652: GDS

TAGS: PFOR, EGEN, BU

SUBJECT: BULGARIAN QUARTERLY TRENDS REPORT (APRIL - JUNE)

REF: SOFIA 0410

1. SUMMARY. THE TREND IN US-BULGARIAN RELATIONS IS UP. IN APRIL IT GAINED MOMENTUM WITH THE ARRIVAL OF AN AMBAS- SADOR AND THE VISIT OF SECRETARY DENT. MEETINGS IN CON- NECTION WITH BOTH EVENTS PROVIDED OPPORTUNITIES TO DISCUSS IMPROVED ECONOMIC COOPERATION AND TO RAISE SUCH HARDCORE PROBLEMS AS DIVIDED FAMILIES AND JAMMING OF VOA. BULGARIAN- SOVIET TIES CONTINUE FIRM. AFTER A PAUSE, BULGARIAN PARTY OFFICIALS RENEWED THEIR EFFORTS IN PROMOTING INTERNATIONAL COMMUNISM AND A COMMUNIST WORLD CONFERENCE. CONTINUING EFFORTS ARE UNDER WAY TO MOVE BULGARIA FURTHER INTO
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THE INTERNATIONAL ARENA. INTERNAL POLITICAL SITUATION

REMAINED STABLE, THE ECONOMY IS REASONABLY STRONG, BUT INCLEMENT WEATHER HAS AFFECTED SOME CROPS. END SUMMARY.

2. US-BULGARIAN RELATIONS. FOLLOWING A LAG IN US-BULGARIAN RELATIONS DURING THE FIRST QUARTER, THE SECOND QUARTER STARTED WITH A REAL UPWARD SURGE. AFTER A LAPSE OF WELL OVER A YEAR A US AMBASSADOR ARRIVED APRIL 1, FOLLOWED BY A VISIT BY SECRETARY OF COMMERCE DENT AND A CONGRESSIONAL DELEGATION TEN DAYS LATER. THESE EVENTS CREATED A POSITIVE ATMOSPHERE AND PROVIDED OPPORTUNITIES FOR HARD-CORE PROBLEMS -- I.E. DIVIDED FAMILIES, JAMMING OF VOA, EDUCATIONAL AND CULTURAL EXCHANGES, AND DEFAULTED BONDS -- TO BE DISCUSSED AT THE HIGHEST LEVELS OF THE GOB. THE BULGARIANS CONTINUE TO EVIDENCE STRONG DESIRE TO EXPAND ECONOMIC RELATIONS WITH US, AND THEIR LEADING OFFICIALS HAVE IMPLIED THAT SOLUTIONS TO THE HARD-CORE PROBLEMS WILL BE FOUND AS WE CONTINUE TO BROADEN AND IMPROVE RELATIONS. FOR THEIR PART, THE BULGARIANS WANTED THE LONG OUTSTANDING VISIT TO THE US OF DEPUTY PREMIER POPOV TO TAKE PLACE IN LATE MAY OR EARLY JUNE; AND WHILE IN THE STATES WANT POPOV TO SIGN AGREEMENTS ON TECHNICAL AND SCIENTIFIC COOPERATION AND AGRICULTURAL COOPERATION. GOB PRESENTED DRAFT AGREEMENTS ON THESE SUBJECTS FOR OUR CONSIDERATION. ALTHOUGH GOB SEEKS MFN AND EXIMBANK CREDITS AND THESE ISSUES WERE DISCUSSED, THEY WERE NOT PUSHED SINCE BULGARS UNDERSTAND US LEGISLATIVE SITUATION.

3. WE LOST SOME GROUND THAT HAD BEEN GAINED WHEN USG WAS UNABLE UNTIL LATE JUNE TO SUGGEST TIMING FOR POPOV VISIT (NOW SET FOR SEPTEMBER), BUT PROSPECTS ARE FOR REAL PROGRESS DURING THE NEXT QUARTER IF THAT VISIT IS SUCCESSFUL. THE US HAS NOT YET REACTED TO THE BULGARIAN-PROPOSED DRAFT AGREEMENTS. PERHAPS AS A CONSEQUENCE TO THE IMPASSE OVER THE POPOV VISIT, THE GOB MADE NO MOVES ON RESOLVING THE DIVIDED FAMILY ISSUE NOR HAVE THEY STOPPED JAMMING VOA.

4. IN OTHER AREAS OF US-BULGARIAN RELATIONS, THERE HAS BEEN CONSIDERABLE ACTIVITY. NUMEROUS US BUSINESSMEN

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HAVE VISITED BULGARIA; KAISER CONTINUES TO EXPAND ITS CONTACTS AND FIRM UP AGREEMENTS IN AREAS COVERED BY ITS BROAD MEMORANDUM OF UNDERSTANDING WITH THE GOB. FIRST QUARTER TRADE STOOD AT \$7.8 MILLION AS COMPARED WITH \$11 MILLION FOR ALL OF 1973. THERE WERE FOUR EXCHANGES IN THE CULTURAL AND PRESS FIELDS. A US SEMINAR ON DRUG CONTROL WAS HELD IN BULGARIA IN JUNE. DURING THE DENT VISIT THE LONG NEGOTIATED CONSULAR AGREEMENT WAS SIGNED.

5. INTERNATIONAL FRONT. WHILE BULGARIA CONTINUED TO ACT AS A SOVIET AGENT IN FOREIGN AFFAIRS, NOTABLY WITHIN THE SOCIALIST COMMUNITY, IT WAS ALSO VERY ACTIVE TO PROMOTE ITS OWN INTERESTS ABROAD. IN THE COMMUNITY CONTEXT ZHIVKOV AND PREMIER TODOROV MADE A QUICK AND UNEXPLAINED VISIT TO MOSCOW IN MAY; IMMEDIATELY AFTERWARD THERE WAS A HURRIEDLY ARRANGED, SURPRISINGLY FRIENDLY AND CASUAL VISIT TO BULGARIA BY ROMANIAN CHIEF OF STATE CEAUSESCU; AND, AS SCHEDULED, BULGARIA HOSTED THE 25TH JUBILEE MEETING OF CEMA. CHIEF OF WARSAW PACT FORCES GENERAL YAKOUBOVSKY SPENT AN INORDINATELY LONG TIME IN BULGARIA SUPPOSEDLY TO OBSERVE WARSAW PACT MILITARY ACTIVITIES BUT HIS PRESENCE AND OTHER DEVELOPMENTS GAVE RISE TO RUMORS OF PRESSURE ON ROMANIA TO ALLOW SOVIET TROOPS PASSAGE THROUGH THAT COUNTRY IN ORDER TO PARTICIPATE IN MANEUVERS IN BULGARIA. THERE IS EVIDENCE THAT SOVIET TROOPS DID IN FACT TRANSIT ROMANIA AND MANEUVER IN BULGARIA. THESE EVENTS FOLLOWED THE APRIL WARSAW PACT MEETING OF HEADS OF STATE.

6. IN DEALINGS WITH FOREIGN COMMUNIST PARTIES BULGARIAN LEADERS PROMOTED SOVIET LEADERSHIP AND "UNITY" OF WORLD COMMUNISM, AN INTERNATIONAL COMMUNIST MEETING AND CONDEMNATION OF CHINA. POLITBURO MEMBER AND SUPPOSEDLY NUMBER TWO IN THE PARTY HIERARCHY, BORIS VELCHEV, VISITED THE BELGIUM AND LUXEMBOURG COMMUNIST PARTIES; PARTY IDEOLOGISTS LILOV AND TELLALOV VISITED ITALY, AND IRAQ, SYRIA AND EGYPT RESPECTIVELY; AND PARTY STALWART ABADZHIEV WENT TO ALGERIA. THIS TYPE OF ACTIVITY HAD BEEN PREVALENT LAST YEAR WHEN ZHIVKOV AND HIS LIEUTENANTS HAD VISITED THE COMMUNIST WORLD, BUT HAD LAPSED DURING EARLIER PART OF THIS YEAR.

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ACTION EUR-25

INFO OCT-01 ISO-00 CIAE-00 DODE-00 PM-07 H-03 INR-10 L-03

NSAE-00 NSC-07 PA-04 RSC-01 PRS-01 SP-03 SS-20

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USNATO BRUSSELS 373

C O N F I D E N T I A L SECTION 2 OF 2 SOFIA 1125

E.O. 11652: GDS

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7. OUTSIDE THE SOCIALIST BLOC THERE WAS STEPPED-UP ACTIVITY IN AN EFFORT TO PROTECT BULGARIA'S ECONOMIC INTERESTS AND TO ENHANCE ITS INTERNATIONAL POSTURE, AN ELEMENT BECOMING INCREASINGLY IMPORTANT HERE. ZHIVKOV VISITED IRAQ; PREMIER TODOROV VISITED SWEDEN; FOREIGN MINISTER MLADENOV WENT TO IRAN; MINISTER OF FOREIGN TRADE NEDEV VISITED BRITAIN; ITALIAN FOREIGN MINISTER MORO CAME TO SOFIA AS DID INDIAN MINISTER OF EXTERNAL AFFAIRS SINGH; AND PRESIDENT SADAT OF THE UAR ARRIVED JUNE 30.

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8. INTERNAL DEVELOPMENTS: AS FOREIGN CONTACTS INCREASE, SO DOES THE FEAR OF CONTAMINATION. THE PARTY CONTINUES TO REMIND THE PUBLIC THAT THERE ARE IDEOLOGICAL DANGERS ASSOCIATED WITH DETENTE, AND ALTHOUGH DETENTE AND PEACEFUL COEXISTENCE ARE GOVERNMENT POLICY THERE CONCEPTS DO NOT CARRY OVER INTO THE IDEOLOGICAL SPHERE. FOR THE PUBLIC, THIS POSTURE WAS DEMONSTRATED FORCEFULLY WHEN HENRICH SHPETER, A BULGARIAN JEW WHO HAD WORKED FOR

SOME YEARS FOR UNIDO IN VIENNA BEFORE RETURNING TO SOFIA, WAS ACCUSED OF SPYING FOR FOREIGN POWERS AND SENTENCED TO DEATH. HIS SENTENCE, WE BELIEVE, IS STILL UNDER APPEAL. COUPLED WITH OTHER LESS SERIOUS ACTIONS IN CONNECTION WITH ECONOMIC ESPIONAGE, THE SHPETER CASE IS HAVING DISCERNIBLE SHORT-TERM EFFECT ON CONTACTS WITH FOREIGNERS. TOO EARLY TO TELL IF THIS TREND WILL CONTINUE INTO THE FUTURE. BULGARIAN MEDIA CONTINUE PRAISE OF SOVIET UNION AND SPEAK HARSHLY AGAINST PR OF CHINA. CHILE REMAINS A TARGET FOR CONTEMPT AND CONDEMNATION.

9. WHILE BULGARIAN LEADERS SEEM NERVOUS ABOUT THEIR ECONOMY, IT CONTINUES REASONABLY STRONG. THE ENERGY CRISIS SEEMS TO HAVE SUBSIDED AND THE WHOLE NATION IS BACK TO OBSERVING SUNDAY AS A REST DAY INSTEAD OF HAVING THE DAY STAGGERED, A SYSTEM ADOPTED EARLIER TO CONSERVE ENERGY, INCLEMENT WEATHER THROUGHOUT THE LAST THREE MONTHS HAS DAMAGED THE EARLY FRUIT AND VEGETABLE CROPS, BUT IF THE WEATHER CONTINUES TO IMPROVE IT IS NOT EXPECTED TO AFFECT THE GRAIN AND OTHER LATE SUMMER CROPS. THERE ARE SHORTAGES IN THE MARKET OF EARLY FRUITS AND VEGETABLES PLUS MEAT, AND PEOPLE ARE GRUMBLING ABOUT THIS SITUATION BUT PLACING MOST OF BLAME ON THE WEATHER. BULGARIAN CREDIT IN INTERNATIONAL MONEY MARKETS CONTINUES TO BE GOOD. FOREIGN TRADE AND INDUSTRIAL PRODUCTION CONTINUE TO SHOW GOOD STRENGTH BUT, AS NORMAL, CONSTRUCTION IS LAGGING BEHIND ITS GOALS.
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